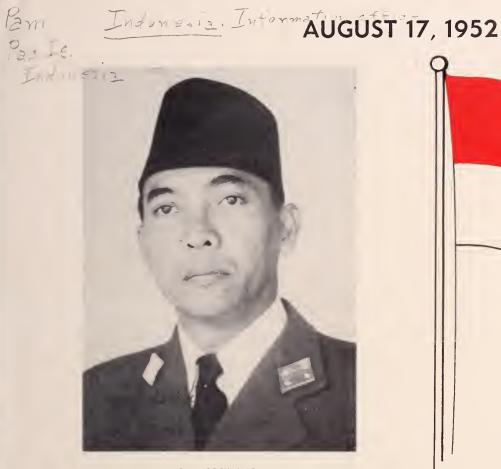
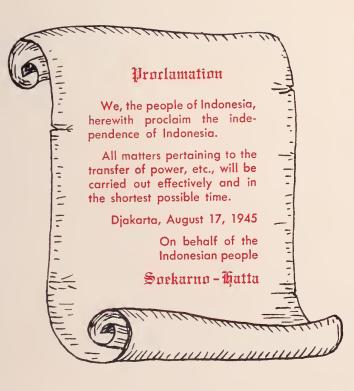
7 YEARS OF INDONESIAN INDEPENDENCE



Pres. SOEKARNO







Vice-Pres. MOH. HATTA



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INDONESIA'S FIRST

7

YEARS

AUGUST 17

1945-52

I. THE DECLARATION OF INDEPENDENCE

On August 6, 1945 most of the world learned that a new type of bomb had been dropped on one of Japan's major cities. In a guarded but plainly frightened broadcast from Tokyo, the Domei news agency acknowledged the catastrophe that had struck Hiroshima. Meanwhile an announcement from Washington that the atomic weapon had been employed made it clear that the days of the Japanese Empire were numbered. It was ironical if not surprising that the people of Occupied Asia...who were almost immediately to free themselves from their Japanese oppressors, and eventually from foreign domination altogether.... were the last to hear about Hiroshima.

In Indonesia, for example, where Japanese occupation forces had virtually complete control over communications, news of the a-bomb and Japan's impending collapse did not become current for nearly a week. The occupation authorities held on to the secret as long as they could. Finally, shortly before the Japanese surrender announcement August 14, Indonesians learned that the war was drawing to a close.

On August 17 radio monitors picked up an extraordinary broadcast from Djakarta. It was the Declaration of Independence of a newly-created Republic of Indonesia. Signed by the names Soekarno and Hatta, this matter-of-fact Proclamation read: *

^{*} One of Indonesia's heroes, an employee of the Japanese-operated station boldly read the Proclamation over the air without the knowledge of the Japanese official in charge.

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"We, the people of Indonesia, hereby proclaim the INDEPENDENCE OF INDONESIA. Procedures pertaining to the transfer of power and other such matters will be undertaken efficiently in the shortest possible time.

Djakarta August 17, 1945.

"On behalf of the people of Indonesia

Soekarno-Hatta"

The proclamation from the great Southeast Asian archipelago known to westerners as the "Netherlands East Indies" caused surprise in the Allied capitals. Who were Soekarno and Hatta, it was asked. How was it possible for the Indonesians...cut off from the world and from one another by more than three years of Japanese occupation...to come up with a government and a declaration of independence only three days after Japan's surrender?

The Dutch Government was chagrined and very much upset by the turn of events in their former colony. Colonial officials waiting impatiently at their Australian headquarters-in-exile knew very well who Soekarno and Hatta were. They had jailed and exiled these leaders of the Indonesian Nationalist Movement more than once. They understood that the colonial administration would have to move back into Indonesia quickly, or face (from the colonial viewpoint) an extremely serious situation. As they stood by nervously, waiting for the troops and transportation they needed for their return to power, the colonial authorities had Admiral Mountbatten ordered the Japanese Army in Indonesia to crack down on the independence movement. In Australia, Dr. Hubertus van Mook, Lieutenant-Governor General of the colonial government in exile, declared unhappily, "It is obvious that this republican movement is a restricted one and that its pattern is a dictatorship after the Japanese model... It is to be seriously doubted that the puppet government has much of a following, and it is of particular importance that this extremist organization not be recognized in any way indirectly...."

But this point of view was untenable, and the frustrated colonial officials must have been aware of it. They knew that the Indonesian Nationalist Movement was a force to be reckoned with long before the Japanese arrived on the scene. The movement was broad and deep and growing in all the major islands of the archipelago.

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II. THE BACKGROUND

The Nationalist Movement in Indonesia is generally considered to have begun in 1908 with the formation of the <u>Budi Utomo</u> (High Endeavor) Cultural Society by faculty members and students of the Djakarta Medical College under the leadership of Dr. Sutomo and Dr. Mangunkusumo. For a while the <u>Budi Utomo</u> groups were non-political. But for the first time young intellectuals from various sections of the archipelago had a chance to get together. Inevitably, since (as in all colonies) there was profound political injustice in the Netherlands East Indies, the new Indonesian cultural organization turned more and more to political matters.

The primary task of these young intellectuals was to help the Indonesian people re-discover their national heritage. Indonesians knew that they had belonged to one nation in the Madjapahit era before the Dutch came in 1595. Now, after 300 years of colonial rule, they had been divided if not entirely conquered. Resistance to the colonial invader had been fierce on a regional and local level. No fewer than thirty-three revolts against the Dutch authority took place in the 19th Century. But the Dutch were able to put down these uncoordinated uprisings one by one, although they never could be sure where or when the next rebellion would break out.

This violent if intermittent resistance was not solely patriotic. It reflected the Indonesians' refusal to bow down to very real political, social and economic injustices that are and must be inherent in the colonial system. From the colonial power's point of view, the subject people must be kept ignorant, static, docile, divide, feudal, poor (with some favored exceptions), and made conscious of their (supposed) congenital inferiority. With these social conditions in force, it was not surprising that the Indonesian Nationalist Movement grew very quickly from its "discussion group" beginnings.

In 1911 the Sjarikat Dagang Islam was founded. This Moslem Association, eventually led by Hadji O.S. Tjokroaminoto...sometimes called the father of the National Political Movement...was a non-revolutionary, essentially middle-class organization. Like all Indonesian organizations of this period, it hoped to achieve social reforms with the cooperation of the colonial authorities. Even in 1916, when the Sarekat Islam became a full-fledged political party and held its first National Congress in Bandung, its leaders still anticipated that the Dutch might help the Indonesian people move in the direction of self-government.

In 1918 the party drew up a program that included a demand for minimum wage laws, regulation of working hours, abolition of child labor, protection for women workers, and old age insurance. The Dutch responded by setting up a "People's Council" with Indonesian represented on it. But this group had only advisory power.

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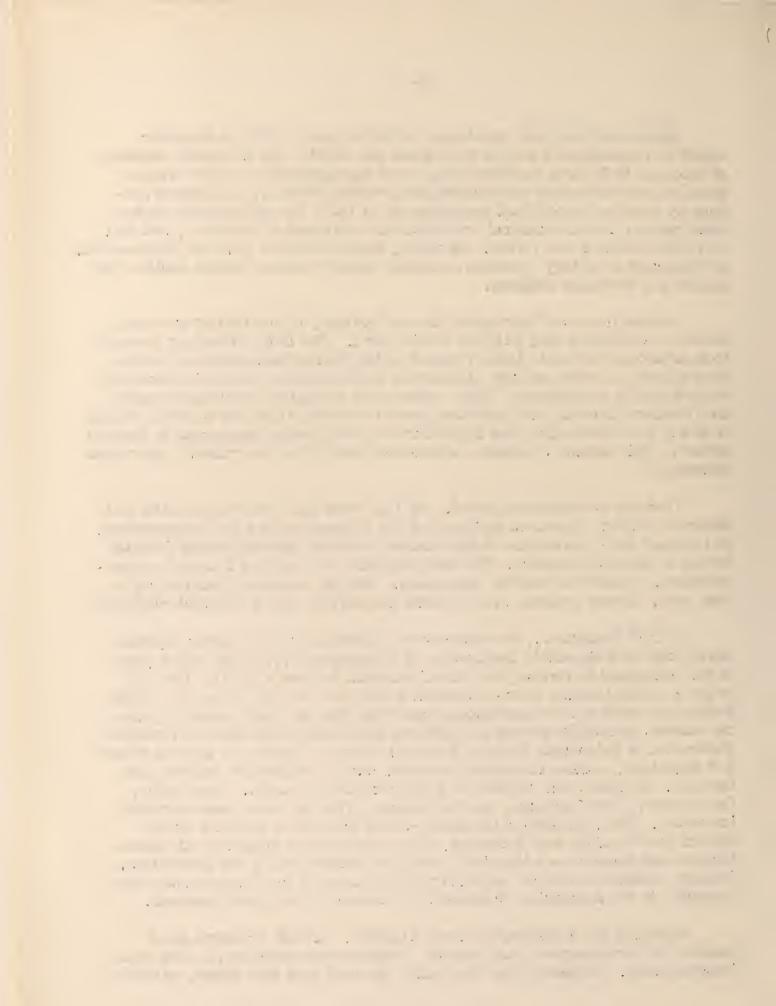
Meanwhile the great revolution in Russia was emerting a dramatic effect on revolutionary tactics throughout the world. The moderate methods of Indonesia's Moslem political group were supplemented by more drastic action on the part of the new Indonesian Communist Party. Influenced perhaps by world-wide political developments in 1918, the Netherlands Government made a promise that reforms would be instituted in Indonesia, and that self-government would follow. As usual, these promises were not implemented. At this point in history, however, colonial powers were no longer dealing with patient and tractable subjects.

Strikes increased throughout the archipelago, infensified by worsening economic conditions that followed World War I. The Dutch Governor General took dictatorial action in 1923, restricting the right of assembly and making it an offense to incite strikes. Indonesian newspapers were heavily censored and frequently suppressed. Then, vested with so-called "exorbitant rights", the Governor General was given the power to arrest, imprison or exile without trial any Indonesian whom the administration considered "dangerous to law and order". This meant, of course, anyone criticizing the government, any active Nationalist.

Thus the struggle was joined. By 1927 what had once been a polite and decorous reform movement had become the Indonesian fight for independence. In 1926 and 1927 there were violent clashes between Nationalist and Colonial forces in Java and Sumatra. The administration carried out a major counter-offensive. Wholesale arrests were made. But the movement was too big to stop now. Every student, every worker and farmer was a potential nationalist.

In 1927 Soekarno...the leader whose signature was to appear eighteen years later on Indonesia's Declaration of Independence...joined with a group of his colleagues in forming the Partai Nasional Indonesia (PNI). The PNI began a militant policy of non-cooperation with the colonial authority. Under Soekarno's driving and inspirational leadership the new party pulled together the various nationalist groups in Indonesia and welded them into one powerful Federation of Indonesian National Political Parties. Soekarno, a great orator and organizer, worked tirelessly to smooth out the differences between the factions. He preached, cajoled, and exhorted them to unite. One People, One Country, One Language, was his slogan. This last unity was extremely important. The PNI adopted the Malay-based Indonesian language as the official speech of the new Indonesia, which was hitherto divided by disparate tongues and dialects -- a linguistic confusion encouraged by the authorities. Finally, Soekarno, with his legendary ability to reach the common man, was appealing to the Indonesian multitudes in a succession of great speeches.

Naturally the administration was alarmed. In 1928 Soekarno and a number of his colleagues were seized. Soekarno was sentenced to four years' imprisonment. Released after two years, he went back into action, rejoining



his old party, the <u>Partindo</u>. Once more he carried his unity and independence message to the people, but only for a short while. He was arrested again in 1933 and exiled to Flores Island. Transferred to Sumatra in 1938, he remained in Dutch custody until the Japanese occupation in 1942.

But other young nationalists of various parties were carrying on the struggle. Men like Mohamad Hatta, Soetan Sjahrir, Dr. A.K. Gani, Hasni Thamrin and Dr. Sukiman fought the anti-colonial battle. Dr. Hatta, who was to become Vice-President of the Republic, was the brilliant organizer of the nationalist movement. While he was studying for his degree in economic sciences at Rotterdam University in the Netherlands, he became secretary and later chairman, from 1925 to 1930, of the "Perhimpunan Indonesia" (Indonesian Association), the organization of students in Holland that was in the forefront of the nationalist cause. He was jailed in the Netherlands for this activity -- along with his associates, Dr. Ali Sastroamidjojo, now the Republic's Ambassador to the United States; Dr. Nazir Soetan Pamuntjak, currently Indonesia's Ambassador to France, and Dr. Abdul Madjid, who was Deputy Minister of Home Affairs in 1947.* Among the other members of this important student group were Chairman Sartono of Parliament and former Foreign Minister Dr. Achmad Subardjo. From 1927 to 1931 the Sumatra-born Hatta represented Indonesian political parties in the League of Anti-Imperialism and Colonialism. Returning to Indonesia in 1932, he joined the Nationalist Party, and was its chairman in 1933 and 1934. Hatta and Siahrir were exiled in 1934 to West Irian (New Guinea) and then transferred to the island of Banda. They too, and scores of other Indonesian leaders, did not emerge from the concentration camps until the arrival of the Japanese.

Under these circumstances it would not have been surprising if the Indonesian Nationalist Movement had declared itself out of the war against fascism. But this was emphatically not the case. After Europe was overrun by the Nazi armies, the nationalist leaders denounced fascism...both of the European and Japanese variety...and asked that Indonesians be trained to defend their homeland against possible aggression. It was evident at this time that Japanese aggression would almost surely be extended to Southeast Asia. Yet the colonial administrators were apparently more afraid of the Indonesian people than the armies of Japan. Every suggestion that an Indonesia militia be set up was rebuffed. With the exception of Ambonese mercenaries -- traditional soldiers of the crown -- the Indonesian people were not entrusted with weapons to defend themselves.

^{*} Dr. Ali took his law degree while he was in jail. The authorities permitted him to leave jail long enough to take his examinations. When the examinations were over he was returned to his cell.

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The results were catastrophic. Shortly after Pearl Harbor the Japanese captured Singapore, and then simply overwhelmed the feeble defenses of the Dutch in Indonesia. The weaponless Indonesians were left to the mercy of the Emperor's troops.

What were the emotions of the Indonesians when they saw Japanese soldiers in place of Dutch patrolling the streets of Djakarta, Surabaja, Medan, and Balikpapan? Americans might imagine a similar situation. Suppose, to alter history, America had been colonized for 300 years by some Asian country. During this period, Americans had been economically depressed, the wealth of their country exploited, and their human rights abridged by this imaginary colonial power. Then, suppose that the forces of Nazi Germany had suddenly "invaded" America, driven out the Asians and set up a new order, with the slogan "America for the Americans". What would the reaction of the average American have been? Probably, like the average Indonesian in 1942, he would have been apprehensive about the new invader (who had a bad reputation), but he would have been hopeful too, thinking, "Well, the Nazis are westerners. Perhaps they will be better for us, and give a chance at independence." Of course, he would have been disappointed, as the Indonesian was disappointed in the Japanese.

For the Japanese proved even worse rulers than the Dutch had ever been.

"...the unarmed Indonesian people were delivered to the tyrannical excesses of the Japanese militarists," wrote Hatta in his Political Manifesto of November, 1945. "For a full three and one-half years the Japanese worked their will on the population, subjecting the people to a type of pressure and oppression unknown in the last decades of Dutch rule here.

"The Japanese looked upon the Indonesians as mere chattels....Forced labor was imposed on the common people; the peasants were intimidated into handing over to the Japanese the products of their toil....the entire population was obliged to conform to Japanese military discipline...."

But the period of the occupation, terrible though it was, had a number of favorable consequences.

"While they groaned under Japanese excesses, our people began to take stock of the Dutch and the consequences of Dutch rule," the <u>Manifesto</u> explained. "With sharper insight they were able to perceive how

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ineffective and valueless the Dutch administration had been. From that moment, Indonesians awakened to the truth and there was a sudden upsurge of nationalism far stronger and deeper than ever before."

Another favorable factor was the inefficiency of the Japanese occupation authorities who were supposed to administer Indonesian affairs. The Indonesians who were installed in administrative posts (under Japanese supervision) found that they could do their jobs much better than their nominal bosses. This gave tremendous confidence to a people only a handful of whom had been placed in positions of trust under the old regime. Indonesians realized that they could organize their own affairs. Hence, paradoxically, it was the inefficiency of Japanese occupation minions that set up a class of Indonesian technicians and administrators who were able with such astonishing suddenness in August, 1945 to take over the administration of the newly-created Republic of Indonesia with virtually no difficulty.

Under the noses of the Japanese authorities the Indonesian Nationalist Movement grew stronger and more ready to create the Republic, as soon as allied forces smashed the defenses of Japan's home islands. The Movement was preserved and strengthened in two ways. First, a group of leaders headed by Soekarno and Hatta held positions in the Japanese administration, moderating occupation policies, covertly assisting the underground, and retaining control of the administration apparatus. The second group, including, among others Soetan Sjahrir, went underground and devoted themselves to political and military harassment of the Japanese. The two wings of the Independence Movement cooperated at all times. Proof enough of their superb coordination was the ability of the Republic to bring itself into being, on a broad base of popular support, only three days after Domei broadcast from Tokyo the news of Japan's surrender.

III. THE STRUGGLE FOR INDEPENDENCE

The day after the Declaration of Independence a group of Indonesian leaders known as the Preparatory Commission met in Djakarta to organize the new Republic. On August 18 the 21 members representing all political parties from all regions of the archipelago adopted the Provisional Constitution.* Soekarno was elected President of the Republic; Dr. Hatta was Vice-President. The Constitution resembled that of the United States. The President and Vice-President would have strong executive control, and would command the Armed Forces. A Congress and Council of Representatives would make the nation's laws, and a Supreme Court would hold judicial power.

^{*} A rough draft had been worked out during the last month of the war.

1 de la companya del companya de la companya del companya de la co ---- Sovereight shall be invested in the people, the new Indonesian Constitution said. This sovereignty shall be exercised through the medium of the People's Congress. All citizens shall have the same status in law....and shall, without exception, respect the law and the Government. --- Every citizen shall have the right to work and to expect a reasonable standard of living ---- Freedom of Assembly and the right to join unions, freedom of speech and the press and similar freedoms shall be provided by law. ---- The state shall guarantee the freedom of the people to profess and to exercise their own religion. ---- Every citizen shall be provided with facilities for education. ---- Economy shall be organized cooperatively. ----Branches of production which are important to the state, and which affect the lives of most people, shall be controlled by the state. Land and water and the natural riches therein shall be controlled by the state and shall be exploited for the greater welfare of the people. The state shall take care of the poor and uncared for children. ----

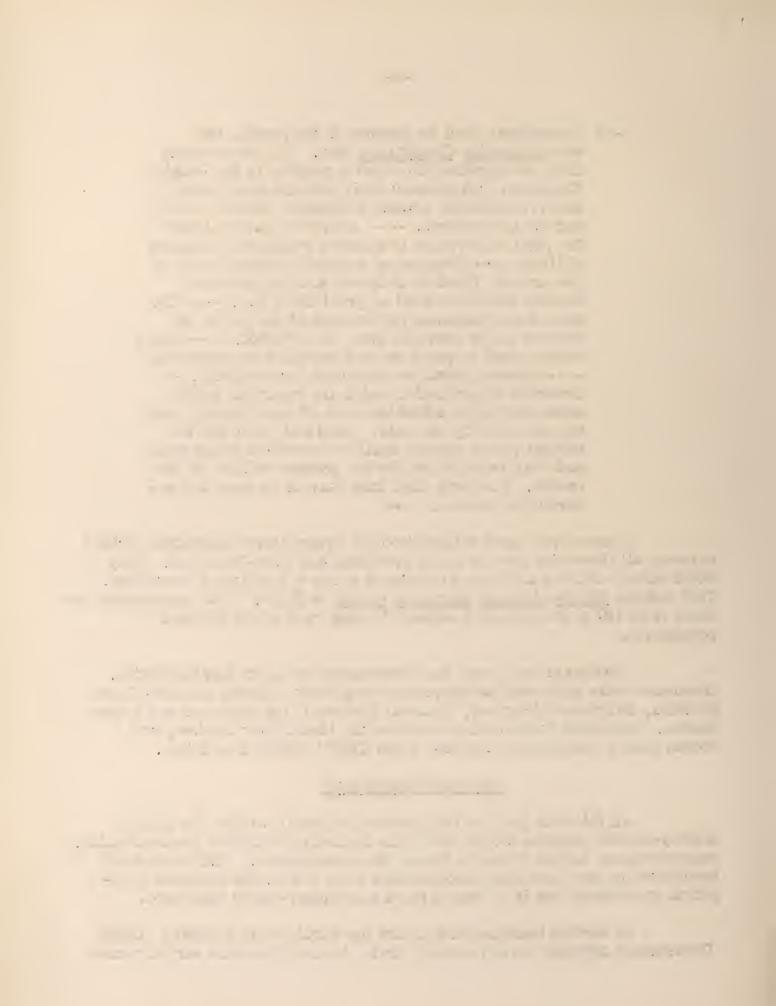
After eleven days' deliberation the Preparatory Committee decided to invest all Governing powers in the President and Vice-President. They would govern with the advice and consent of a new and enlarged Committee. This was the Komite Nasional Indonesia Poesat or KNIP. This organization was made up of 120 of the new-born Republic's leaders of every political complexion.

Working at top speed, the Government set up its administration. Governors were appointed for the provinces of West, Central and East Java, Sumatra, Kalimantan (Borneo), Sulawesi (Celebes), the Moluccas and Lesser Sundas. President Soekarno then selected his 12-minister Cabinet, and Soetan Sjahrir was named chairman of the KNIP Working Committee.

Arrival of the British

All this was going on the presence of nearly a third of a million heavily-armed Japanese troops who in the beginning controlled communication, transportation, and all strategic points, towns and cities. Still stunned and bewildered by the surrender announcement from Tokyo, the Japanese occupation government was in a state of tense and trigger-happy indecision.

At various headquarters across the world and in Australia, Dutch Government officials were frantically trying to exercise some sort of remote



control over the events taking shape in Indonesia. Their immediate concern was somehow (a) to prevent formation of the Indonesian Republic, and (b) prevent the Indonesians from laying hands on Japanese weapons. Every kind of propaganda was utilized to discredit the Republic as a Japanese creation. Simultaneously the Japanese were ordered to keep their arms, hold Republican forces in check, etc. But the Japanese were rapidly losing control of the situation. There was sharp fighting in most cities. In Surabaja Indonesian patriots stormed the headquarters of the hated Japanese military police and burned it to the ground. Increasing numbers of Japanese commanders and soldiers...whose morale became lower by the day...were forced to surrender and yield up their arms and authority to the Indonesians.

These significant events took place in a period of six weeks which distance and the fortunes of war gave to the Republic. During this precious interval many millions of Indonesian patriots created a nation -- not only on paper, but in fact. In six weeks Indonesia became a country that governed, administered and took care of itself in orderly fashion.

When the first allied forces -- Brithis, not Dutch -- arrived in Djakarta September 29 they found (instead of chaos) peace, and a Government. The British commanders, acting in a practical manner, dealt with the Republican Government as the de facto authority, and waited for further orders. Their orders were originally non-political. They were to disarm the Japanese in Indonesia and liberate Allied internees and prisoners of war.

At this point the British seemed to have no intention of interfering politically in Indonesia. They wanted to retire from a difficult situation and get out. But the Dutch strongly opposed the British Commander's decision to cooperate with Republican leaders "in areas under their control." The Indonesians, for their part, had no intention of permitting the small British force to hold the ports for eventual re-occupation by Dutch soldiers. The British were caught in the middle.

The Dutch Try to Come Back

The British failed to maintain the status quo. Dutch troops began to arrive at Indonesian ports -- first in small detachments, then in growing numbers. As was inevitable, the people of the seaport cities rose up in arms to prevent any more Dutch landings under the protection of the British Army. Guerilla activity became widespread. On November 4, large-scale fighting broke out between British and Indonesian forces in Surabaja. The British, who had only enough troops to hold small bridgeheads in eight Indonesian ports, called on the Japanese soldiers (whom they had come to disarm) to help them keep order. This proved to be an eye-catching political error, and the world

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began to take a critical interest in what was happening in Indonesia. For more than a year the young Republic tried to maintain an orderly national community in the face of this tense and dangerous situation. But the Indonesian people were absolutely determined that the colonial system must not return. As more and more Dutch soldiers did return to the British-held ports, tension approached the breaking point. The British dug in behind small perimeters in the port cities. On March 9, 1946 nine Netherlands Army battalions landed at Djakarta. Their arrival was bitterly protested by Prime Minister Sjahrir.* Four days later negotiations opened between former Governor General van Mook, Premier Sjahrir, and British diplomat Sir Archibald Clark-Kerr.

The fact that the Dutch were willing to negotiate at all was something of a triumph for the Republic, since they had steadfastly maintained that they would never do so. Unfortunately, from the Indonesian standpoint, the negotiations were only to be a prelude to surprise military action.

The Linggadjati Agreement

By the early fall of 1946 most of the Japanese soldiers and Allied prisoners-of-war and civilian captivies had been repatriated. The British were eager to get out of Indonesia. The tripartite negotiations between Sjahrir, van Mook and Clark-Kerr...with the ultimately decisive assistance of Lord Killearn, successor to Clark-Kerr...at last produced the ill-starred Linggadjati Agreement. According to this pact, the Dutch recognized the Republic's de facto authority over Java, Sumatra, and Madura. The Dutch agreed to cooperate with the Republic in setting up the states of Borneo and the Great East (eastern Indonesia), which together with the Republic would ultimately be formed into an independent United States of Indonesia. The two parties would form the Netherlands-Indonesian Union, which would set up its own agencies to handle matters of common interest among them, foreign affairs, defense and certain matters of finance. The Dutch took over the British bridgeheads in the eight port cities. Neither Dutch nor Indonesian forces could operate across the lines of demarcation. The Indonesians agreed to permit the landing of Dutch troops to a total equalling the combined British-Dutch force as of October 15, 1946. A clause also provided for arbitration by a "chairman of another nationality with a deciding vote", or, if necessary, by the President of the International Court of Justice. With great relief the British then pulled out of Indonesia on November 30, 1946.

Linggadjati was a compromise, and in the opinion of many Indonesians,

^{*} The Sjahrir Cabinet was formed November 14, 1945. At this time the Indonesian Government evolved away from the American system of a strong executive presidency. Day-to-day governing power was exercised by a Prime Minister and Cabinet, as in Europe. President Soekarno and Vice-President Hatta still held decisive power, but would not use it except in a period of crisis.

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a bad compromise. Similarly, conservative elements in Holland were hotly critical of van Mook for his part in "yielding" to what they did not seem to realize from thousands of miles away -- was an accomplished fact: that the Republic of Indonesia was a going concern that was not by any stretch of imagination going to revert to a colonial or semi-colonial status. As it turned out, the Linggadjati Agreement, though it was finally signed March 25, 1947, existed, it seemed, only to be violated.

The First Dutch Military Action

Instead of growing better, Indonesian-Dutch relations quickly detericrated after Linggadjati. There were many complex maneuverings and clashes, all brought on by the one great conflict of intentions. The Dutch in one way or another intended to retain "the Indies". The Republic was equally determined that Indonesia should break free from the colonial power. Any compromise agreement, such as Linggadjati, merely held in suspension for the time being a relationship that was bound to fall apart, because neither side believed in it.

The Dutch clamped a tight blockade around Indonesia and treated all trade between the Republic and outside agencies (such as the American ship "Martin Behrman" of the Isbrandtsen Lines whose cargo was seized and impounded) as "smuggling". The Dutch side was also incensed by the separate trade agreement concluded between the Republic and India in July, 1946, exchanging rice for textiles and agricultural implements. Further conflicts developed around the informal diplomatic missions of Sjahrir and Hadji Agus Salim to Asia and the Middle East, which gained for Indonesia the support of the Arab world. An intolerable violation of the agreement, from the Indonesian standpoint, was the Dutch encouragement, backing, and even forced creation of a succession of splinter states in Borneo, eastern Indonesia, and eventually in Java and Sumatra, even including the tiny tin-producing island of Bangka as a separate state. With each side accusing the other of military violations of the status quo, the situation became precarious in the summer of 1947.

There were months of argument over the proper interpretation of the Linggadjati Agreement. Premier Sjahrir did everything he could to preserve the peace. In fact, he made a number of concessions displeasing to the moderate Masjumi (Moslem) and other parties, and lost their support. The Sjahrir Cabinet resigned June 27. Less than a month later, on July 21, the Dutch broke off the talks and launched an attack on the Republic from their bridgeheads in Java and Sumatra.

The story of this attack and the intervention of the United Nations is probably the chapter in Indonesia's struggle for independence best-known to the western world. Militarily, the Dutch reached many of their objectives.

Politically, they lost everything, although their defeat was gradual, and seemed for a time to have been postponed. With Australia and India bringing the Indonesian situation to the attention of the Security Council, the U.N. finally effected a cease-fire in early August. By this time the invading troops had taken most of West and East Java, and a portion of Central Java. Jogjakarta was the only major city on the island still in Republican hands. Most of Sumatra was occupied, with the exception of the northern part, and some of Central Sumatra. The Dutch had the rubber and tea estates, the coal and oil fields. But they also passed over great areas of smoking and scorched earth, they were halted by mined roads, blasted bridges, snipers and hit & run raids -- in short, an ancient military story was being acted out again. The big, mobile modern army held the cities and the cross-roads in a hostile countryside. Everywhere else...not only in pockets of strength, but in every town and village... the resistance fighters of the occupied land harassed the invaders.

The Dutch set up new boundaries, and gave them a collective name -- "the van Mook line". However, the line had no more containing power than a sieve. Guerillas filtered through and around it. They were everywhere.

It was obvious that this military action was in no sense a "police action" as it is usually called, but actually a full-scale colonial war.

The Renville Agreement

Internationally, the Dutch position was poor. From New Delhi came a powerful statement by Prime Minister Nehru denouncing colonialism and the Dutch use of force in equal measure. The aggressors would be denied the use of air terminals in Calcutta and Karachi. For the first time, the former colonial states of Asia began to act together. In an eloquest statement before the Security Council Soetan Sjahrir presented Indonesia's to what was, in the excitement of the moment, a world audience.

Result of the U.N. intervention was an agreement by the Republic and the Netherlands to submit their dispute to a U.N. Committee of Good Offices, consisting of representives from Belgium, Australia, and the United States. Dr. Frank Graham, U.S. Senator and former President of the University of North Carolina was the American delegate on the Committee. Arriving in Indonesia in October, 1947, the Committee sponsord a new pact signed by the Republic and the Netherlands. Known as the Renville Agreement because it was reached and signed January 17, 1948 aboard the U.S.S. Renville, it offered (a) a truce, and (b) a "basis for discussion" founded on twelve principles and six additional principles.

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Like the Linggadjati Agreement, the Renville pact provided for the independence of the Indonesian people, a sovereign and democratic United States of Indonesia, cooperation between Indonesia and the Netherlands Kingdom and an Interim Federal Government with the participation of the Republic. There would be a plebiscite after six months and within one year to determine whether the population in disputed territories wanted to join the Republic. The Renville agreement called for the resumption of normal economic activity, freedom of movement and communications throughout Indonesia.

After Renville....

By signing the truce the Republic made what was, in the Indonesian view, a great concession. For the time being, the "van Mook line" was accepted, and Indonesian troops evacuated from areas behind it.

The negotiations following the Renville Agreement were tortuous and unrewarding. The Dutch rejected an over-all compromise proposal by the American and Australian members of the Good Offices Committee. Differences were numerous. One of them was over the nature of the Union. The Dutch envisioned the Union as a Super-State circumscribing the sovereignty of both Indonesia and Holland. It would be in effect a reformation of the pre-war Dutch Kingdom, with Indonesia having a theoretically equal partnership. But the Republic wanted none of this. It saw the Union as a connecting link between two sovereign states. So far as the Interim Government was concerned, the Dutch wanted to revive the pre-war Netherlands East Indies Government. The Republic would have to abolish its Army and its foreign relations. But the Indonesians well knew that an Interim Government in which the Republic did not participate independently could by one means or another stall, negate, or twist the form of Indonesian independence.

As the regotiation wore on, the Dutch side...in violation of the Renville Agreement...set up no fewer than 16 splinter states in all parts of Indonesia. This had the effect of making the populous Republic, the center and mainspring of the independence movement, just one more state. It was obviously the intention to establish pro-colonial governments in these states to act in a bloc and nullify the Republic's strength in any future federation of Indonesia.

The Madiun Levolt

This caused extreme anger among the Indonesian people, and put heavy pressure on the Republican Government to take strong action. At this juncture the Indonesian Communist Party deemed the nation to be ready for a coup d'etat. Under the leadership of Dr. Amir Sjarifuddin and Muso (who had just returned from Moscow), the Communists began a revolt September 18, 1948 in the area

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of Madiun, East Java. The Republic...already embattled on the diplomatic front by the stubborn Dutch, still blockaded, fighting for its life against the comback of the former colonial power, had to meet this new threat. In a dramatic broadcast, President Soekarno told the people: "You must choose between Soekarno and Muso." Directed by Vice-President Hatta, the forces of the Government smashed the Madiun rebels in a brief but better struggle.

The Second Dutch Military Action

Ignoring last-minute proposals by the American member of the U.N. Good Offices Committee, H. Merle Cochran*, the Dutch attempted once more to prove the proposition that might makes right by launching a second wellplanned military action against the Republic on December 18, 1948. The assault, launched at a moment when the Dutch were supposedly awaiting a response to their latest demand from the Republican Delegation in Jogjakarta, was immediately characterized by the Good Offices Committee as a violation of the Renville Agreement. Once again the Security Council ordered a ceasefire. This time the Dutch replied in effect that they would stop when they had reached their objectives. Dutch planes were bombing Republic cities and towns. At the outset of the surprise attack Dutch paratroopers dropped on Jogjakarta and captured President Soekarno, Vice-President Hatta, and most of the Cabinet. But they missed Economic Affairs Minister Dr. Sjafruddin Prawiran egara who was in Sumatra. There, in the unoccupied territory in the northern part of the big island. Sjafruddin established the Republic's Emergency Government. In Indonesia's darkest hour, this small but effective organization kept in touch with the rest of the nation by radio and courier, and preserved the form, ideal, and spirit of a united country. In New Delhi, Indonesian Finance Minister, Dr. Alexander Maramis became Foreign Minister of the emergency government, and did magnificent work in helping to rally foreign governments behind the Republic's cause.

Meanwhile the Dutch Government, hearing reports from Indonesia that the second police action was now in its closing and victorious phase, might have agreed with the Roman General Pyrrhus: "One more such victory and we are undone." The entire world, it seemed, was aroused by the second military action. Indian Prime Minister Nehru announced January 1, 1949 that his government had invited thirteen other Asian countries to a conference to consider the Indonesian problem. A Chinese resolution in the Security Council called for the release of the Indonesian leaders within 24 hours. Holland found that it had few supporters in the U.N. It also found that it had made

^{*} Now American Ambassador to the Republic of Indonesia.

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literally millions of enemies in Indonesia. On Java, guerilla troops began to make life unbearable for the occupation forces. Life was one explosion after another, one ambush after another. Fighting fire with fire, the Republicans scorched the earth, mined the roads, and blew up communications. The colonial administrators found out what the Dutch, among others, had taught Hitler's armies in Europe -- that it was one thing to win a battle or a campaign, but quite another matter to consolidate the victory.

The weight of the world's moral condemnation fell on the Netherlands. In New Delhi the Asian Conference held from January 20 to 23 called for (1) withdrawal of Dutch soldiers from the Republican areas of Java, Madura, and Sumatra, (2) immediate release of all Indonesian political prisoners, (3) a March 15 deadline for restoring to the Republic all seized territory, (4) formation of the Interim Government for all of Indonesia by March 15, with the Republic to have control over Indonesian armed forces during the period of this government, (5) complete sovereignty for Indonesia by January 1, 1950.

On January 28 the Security Council approved a compromise resolution setting up a time table for the gradual transfer of sovereignty to the United States of Indonesia by July 1, 1950. Two weeks later the Netherlands Government bowed to the world-wide pressure, not to mention harassing military conditions in Indonesia, and notice from the Asian Conference that the participating countries were ready to begin an anti-Dutch boycott and also to send troops to Indonesia. The Hague declared itself willing "in principle" to comply with the Security Council resolution that Indonesia have self-government.

The Round Table Conference Agreement

Gradually, through the spring and summer of 1949, order was restored in Indonesia. On July 1 Jogjakarta was returned to the Republic, and five days later President Soekarno and Vice-President Hatta returned there. The Netherlands Government was apparently convinced that the aggressive directaction methods of fighting the Republican d proven fruitless. The best thing to do would be to make peace with the Republic and establish as close ties as possible with the new Indonesian nation. On August 23 the Round Table Conference between Dutch representatives on the one hand and Federal and Republican Indonesian delegates on the other was opened to establish the conditions of Indonesian independence. This conference was held under the auspices of the United Nations Committee on Indonesia, which had succeeded the Committee of Good Offices after the second military action.

The RTC agreement concluded on November 2, 1949 provided for the formal transfer of sovereignty over former Netherlands East Indies territory from Holland to the Republic of the United States of Indonesia, effective December 27, 1949. The two countries would be joined in a Union, in which

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each side would have equal partnership. At Indonesia's insistence, the Union was a "loose" affair, containing no real abridgement of the independence of either side. The partners would hold a Union Ministers Conference twice a year. At Dutch insistence, the federal form of government was maintained. Indonesia assumed the Netherlands East Indies debt. The Republic also agreed to employ the colonial administration's civil servants for two years. The Dutch colonial army was to be disbanded. Indonesia would have complete control over its financial policies, including foreign trade and foreign exchange, although during the first year the partners would coordinate their European trade. Dutch personnel would remain in the top management of the Java Bank, but Indonesia might appoint the President and a majority of the Managing Directors after the transfer of sovereignty.

The one sticking point, which was destined to be a major disturbing factor in Indonesian-Dutch relations, was the disposition of West Irian (New Guinea). It was finally agreed to leave the matter officially in "dispute" for one year, pending netotiation and arbitration. The status quo of the territory was not in be altered during the period of the dispute.

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IV. POST-WAR RECONSTRUCTION

The Transfer of Sovereignty was a profound moment for the Dutch and Indonesian people.* "One of the most deeply moving events of the times," said Queen Juliana at the Royal Palace Ceremony. "Piercing, as it were, to the very roots of our existence...."

Across the world in Djakarta, President Soekarno told cheering throngs that the transfer of sovereignty was brought about by the good will of the Indonesians, Dutch, and the world as a whole. He declared that Indonesians must continue striving for national unity, but reminded his listeners: "We must esteem all foreigners, including the Dutch. We live in peace with the Dutch..."

The Unwieldy Federal Structure

It was true that some points of friction remained between the two countries. One was the dispute over West Irian. Another sore spot was the federalized political structure imposed on Indonesia by the Round Table Conference agreement. Each of the sixteen splinter states set up by the Dutch during their "police actions" had its own parliament. Since, according to RTC, Dutch civil servants would be retained on the Indonesian government payrolls for two years, the former colonial administration would continue to have a significant place in the Indonesian scheme of things.

Indonesia's leaders soon found the federal system terribly unwieldy. Apart from the state legislative bodies, the Federal Government had a Senate and House of Representatives at Djakarta. The country's basic state, "The Republic of Indonesia", was by far the largest component of the federal Republic of the United States of Indonesia. Made up of the major regions of Java and Sumatra, it too had a large parliament. In the spring of 1950 it became apparent that the Indonesian Government was in danger of sinking under its own weight. The nation simply did not have enough trained personnel to man a political structure duplicated sixteen times. Nor were there sufficient funds to maintain such a tremendous administrative machinery. The effect of the federal arrangement was to decentralize the new Government and weaken the concept of a unified Republic.

^{*} However, it is somewhatless meaningful to Indonesians, who date their independence from August 17, 1945. December 27, 1949 is not a holiday in Indonesia.

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The Cabinet of Dr. Mohamad Hatta and the first session February 15 of the Republic of the United States of Indonesia (R. U.S.I.) House and Senate had immediately to deal with this problem. The states themselves were passing resolutions voicing their desire to re-join the Republic. The Central Java House of Representatives passed its resolution on November 28, 1949, even before the transfer of sovereignty. East Java merged itself with the Republic of Indonesia State February 26, 2950. The Padang special area had made a similar decision on January 10. The other states -- Madura, East and South Sumatra, and so on -- followed one by one.

Clearly it was the will of the people to form a unitarian republic. To that end the Federal Parliament in Djakarta passed a motion March 3 permitting the states which wanted to do so to become a part of the Republic. The law was signed by President Soekarno on March 8. In May, 1950 representatives of the Federal Government and the Republic of Indonesia State government met to work out a merger. These negotiations culminated on August 15,1950 in the formation of the Republic of Indonesia unitarian state with a single Parliament (made up of the members of the federal Parliament and Senate in Djakarta and the Republican Parliament in Jogjakarta) and ten provinces. These were West, Central, and East Java; North, Central, and Scuth Sumatra, the Lesser Sundas, the Moluccas, Kalimantan (Borneo) and Sulawesi (Celebes). The provinces were to have maximum autonomy, but the cumbersome legislative structure of the federal state would be abolished.

Colonialism's Last Stand in Indonesia

Before the unitarian state came into being, the RUSI had to defenditself against three small but determined attempts on the part of counterrevolutionaries to turn the clock back and re-establish the colonial way of life in three areas of the Republic.

The first and most serious was the Westerling affair. Former Dutch Army Captain Raymond P. "Turk" Westerling -- already notorious for his part in the notorious "South Celebes Massacre" of 1946, in which thousands of Indonesian patriots were killed without trial -- appeared in the vicinity of Bandung, West Java at the head of a band of Dutch Colonial Army (KNIL) deserters and veterans. His attack on the city was unsuccessful, but for some days he terrorized areas of West Java before Government forces dispersed his gang. Only later was it learned with the April 19 confession of Sultan Hamid II of Pontianak, West Berneo, that Westerling had planned to seize the Cabinet and install one more sympathetic to colonial interests. Sultan Hamid, Minister Without Portfolio in the Hatta Cabinet, was to have become Minister of Defence in the new set-up.

On April 6 veterans of the KNIL made a bid for power at Makassar, Celebes, the capital of the state of East Indonesia. They attacked Government Army headquarters and attempted to capture the city. Led by Andi Aziz who formely served under Westerling, this uprising collapsed April 19.

Finally, at the end of April, the tragic Ambon rebellion broke out. This too was staged by former officers of the KNIL, with at least passive assistance from Dutch officers on the scene. The instigator of the Makassar affair, Dr. Soumokil, former Attorney-General of East Indonesia, was flown to Ambon in a Dutch bomber after his first insurrection was quelled.

For all practical purposes, the Ambon revolt ended in November 1950 with the capture of Ambon City by Government troops. The mercenaries who had carried out the uprising were for the most part rounded up. Some managed to escape to the neighbouring island of Ceram. For eighteen months they led a fugitive existence in the island's jungle interior. There followed a slow but eminently successful campaign by Government forces to bring about the surrender of these scattered remnants. This was climaxed July 17 1952 by an Army communique announcing the capitulation in Samsaru, West Ceram of Colonel J.W. Sopacoa, commander of the rebels, and his staff.

A major share of the credit for the successful and virtually bloodless Ceram operation should go to Colonel Sukowati, commander of Government forces. His policy of moderation together with masterly psychological tactics saved many lives on both sides. Last Christmas, for example, he ordered gift parcels to be dropped to rebel troops encircled in the jungle. The rebel leader Manuhutu sent a courier to Colonel Sukowati with a letter of appreciation. Shortly after that the rebels began surrendering in larger groups.

The tragedy of Ambon was that the revolt was totally unnecessary. It was also a fraudulent affair. The civilians of the island had no part in it. The unfortunate soldiers were misled by their leaders into the belief that their former service in the colonial army would be held against them. Actually, the reverse was true. Today thousands of former Ambonese mercenaries are serving with distinction in the regular army. And the battalions on Ceram are laying out rice for the local farmers.

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Financial & Economic Problems

In March, 1950 Finance Minister Dr. Sjafruddin Prawiranegara took dramatic action against a spiralling inflation by literally tearing Indonesia's currency in half. The amount of money in circulation was reduced by half. The other half went toward a bond issue. Indonesia entered into trade with the United States, Great Britain, Denamrk, Italy, Norway, Poland and Sweden, among other countries. On June 30 a \$44,400,000 trade agreement was signed with Japan.

Indonesia, August 17, 1950

When President Soekarno adressed his countrymen celebrating the advent of the Unitarian State, it was to say, "I appeal to the good will of the world for what we have been doing here of late, and also for what we are going to do presently. We are now trying to fulfill our national aspirations..."

With the passing of the federal state, and the election of former Premier Hatta as Vice-President, a new all-Republican cabinet was formed September 6 under the scholarly Mohamad Natsir of the Masjumi (Moslem) Party, the largest in the nation. The Natsir Cabinet was a coalition of liberal groups, including the Masjumi; the Indonesian Socialist Party; the conservative Great Indonesia Party (P.I.R.); The Democratic Faction, the Catholic Party, and some non-party men. The Cabinet was able and progressive. But it had one important political weakness. The Nationalist Party (P.N.I.) was not represented in it. This eventually was to prove a critical flaw.

Problems Facing the Republic

A very brief summary of the problems challenging Mr. Natsir and his colleagues might have gone something like this:

- l. Foreign Relations:
 - (a) To arrange for Indonesia's admission to the United Nations.
 - (b) To maintain a free and independent foreign policy despite any pressure from the Eastern or Western blocs.

^{*} One of these, he emphasized, was incorporation of West Irian into the Republic. In this Indonesia was opposed by Holland and Australia, but supported by the Asian countries.

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- (c) To negotiate for the incorporation of the disputed territory of West Irian into the Republic before January 1, 1951.
- (d) To work out a relationship with the Netherlands more consistent with Indonesia's independent status.

2. The Economy:

- (a) Basically, to change from a colonial-type one-sided economy, based on the export of agricultural produce and minerals for the benefit of a mother country, to a more balanced and diversified economy. To produce more goods for home consumption, and thus free Indonesia from its dependence on price fluctuations abroad.
- (b) To fight inflation.
- (c) Produce more.
- (d) Increase Indonesia's purchasing power abroad.
- (e) Step up the pace of Reconstruction.

3. Security:

- (a) Achieve a strong measure of cooperation between the Government and Parliament.
- (b) Hold national elections as soon as possible.

These were immediate and demanding problems. But equally important in the long run were two serious difficulties in the way of Indonesia's national development. The first was that under the colonial regime Indonesians were among the most poorly educated people in the world. In 1945 no more than 7% of the people could read and write. Five years later 80-85% were illiterate or semi-illiterate. Thus the Republic suffered from a shortage of trained personnel in virtually all levels of government and private enterprise, and in all professions and production skills. The fight to overcome illiteracy was perhaps Indonesia's most important long-range undertaking. A national education drive was being carried out on an emergency basis in the autumn of 1950. New schools were opening up in all parts of the archipelago, some with a faculty consisting mainly of older children, for there was a shortage of teachers too.

The second major long-range difficulty was the health of the Indonesian people. Under the leadership of able Health Minister Dr. Leimena, and with the cooperation of such United Nations bodies as the World Health Organization (W.H.O.), a public health program was underway to combat

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tuberculosis, plague and the debilitating tropical disease known as yaws. Mobile health teams were traveling from town to town setting up clinics. A plan for hiring foreign dectors to assist the small number of physicians in Indonesia was under study.

Indonesia Joins The United Nations

On September 25 the Republic of Indonesia, through its chief representative Mr. Lambertus N. Palar, applied for membership in the United Nations. Three days later the Republic was admitted without a dissenting vote.

In October President Soekarno cabled Secretary General Trygve Lie on the occasion of the United Nations' Fifth Anniversary:

"....I wish to express my hope that the United Nations may succeed in achieving its aims as an International Organization of the world. The Republic of Indonesia has emphatically adopted Humanity as one of the five principles, enshrined in its...Pantjasila." (Collective name of the five principles on which the Republic is founded. These are Belief in God, Humanitarianism, Nationalism, Democracy, Social Justice). "Consequently it will also support and join wholeheartedly the efforts of the United Nations to promote International Cooperation and World Peace."

Dr. Roem States Indonesia's Foreign Policy

Foreign Minister Dr. Mohammed Roem arrived in the United States November 9 1950 for a nine-day diplomatic visit. He talked with President Truman, Secretary of State Acheson, and American U.N. delegates Warren Austen and John Foster Dulles. In a press release he defined his country's foreign policy.

"....I would say that Indonesia follows a democratic, independent foreign policy...." he declared. "We are determined to live our own lives, to grow in the direction of our national needs and interests....World peace is essential for Indonesia....Our unwillingness to join either of the two great world blocs should not be interpreted to mean that we shall remain aloof. It is our earnest intention to join with other states in alleviating the present tension...."

Dr. Roem also declared that Indonesia's political development depended "to a crucial extent on progress. Communism's hope for success in Asia was based on two factors: nationalism and trying economic conditions. Indonesia had attained national independence without going communistic. But we are still faced with a difficult economic situation, "Dr. Roem pointed out. He said he could understand why most Europeans and Americans

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had adopted a wait-and-see attitude with regard to Indonesia's future political development. "They want proof that we can control communism before they will consider investing capital on a large scale in our country. But this attitude, however understandable it may be, is not helping Indonesia," he said. "We need technical assistance and we need it now....There is a very close inter-relationship between our economic needs and the West's attitude of wait-and-see. The West will have to give proof of its confidence in us...."

E.C.A. Assistance to Indonesia

Dr. Roem was speaking for the most part to potential private investors. The fact was that the United States Government was giving assistance to Indonesia amounting to \$101,000.000 -- \$84 million in grants, \$17 million as a direct loan. December 1 Finance Minister Dr. Sjafruddin Prawiranegara came to this country to discuss the use of Indonesian counterpart funds. His recommendation: That a sizable portion be put into agricultural development through irrigation projects, seed selection, purchase of fertilizer, and housing.

The Republic also had a \$100 million dollar credit line from the Export-Import Bank. By December funds had been allocated to road building telecommunication, and extension of the nation's railways.

The drive to build up Indonesian industrial capacity was placing strong emphasis on the development of hydroelectric power. This would help answer Indonesia's need (1) to turn out more goods for home consumption, (2) produce more foods and raw materials, and (3) improve the quality of export products by better processing.

For example, the dam to be built at Tjikampek, West Java was expected to irrigate 27 thousand acres of rice fields. Other units were planned to supply power for rice, rubber, and textile plants.

Failure of the Irian Conference

In accordance with the December, 1949 Round Table Conference agreement, the status of West Irian (New Guinea) was to remain officially "in dispute" between Indonesia and the Netherlands. Twelve months later the question of which country was to have sovereignty over this last remnant of Holland's East Indies empire remained just as much in dispute...perhaps even more so, for tensions surroundings the issue had increased.

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On December 27 the Irian Conference with Holland broke up in "complete disagreement." Indonesia had offered to safeguard Dutch interests in Irian, to encourage Dutch capital investment in the area, and to make room for a reasonable number of Dutch immigrants... The Netherlands delegation offered finally to cede West Irian to the Netherlands-Indonesian Union while keeping actual administrative control of the territory in Dutch hands. This meaningless "paper transfer" was wholly unacceptable; to Indonesia.

Paradoxically the collapse of these negotiations followed a successful Union Ministers Conference at the Hague. Since the Ministers had first established close economic and financial ties between the two countries, then (with many of the same diplomats participating) became entangled in the bitter dispute over West Irian...whose consequences threatened to nullify the economic agreements...Dutch-Indonesian relations seemed to be operating in two separate compartments.

Indonesia's Economic Progress

Meanwhile it was disclosed by Trade & Industry Minister Dr. Sumitro Djojohadikusumo that the Republic had a large export surplus at the end of 1950. He called this a "spectacular" phenomenon, and contrasted it with the economic picture the year before when Indonesia's imports were considerably greater than her exports.

"An import surplus meant that we had a shortage of foreign currency, that we had to restrict our imports to the barest minimum..." he commented. "The situation in 1950 was different. Exports surpassed imports. An increase in imports was possible, and we were able to pay for a large share of purchases with our means. The improvement of our trade balance, which is positive now, also had a favorable influence on our balance of payment, and this is much better than during 1949."

He then cautioned the Indonesian people against over-optimism: "We should realize that we have been quite fortunate during the past year. The ever-mounting tension in the field of international politics caused over almost the whole world an increase in the prices of raw materials. Indonesia as one of the most important producers of raw materials has profited a great deal from these price increases in the world's markets. Our raw materials have fetched handsome prices, and we have had no difficulty in exporting them. But this favorable situation will not last forever. A setback is bound to occur sometime, and we shall have to fight for markets for our raw materials. Our weakness will come to the fore if prices fall off."

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Indonesia's weakness was simply one of production, Dr. Sumitro said. He pointed out that the Republic's favorable export position was due more to higher world market prices than greater national productivity. In 1950 Indonesia had not produced very many more goods than during 1949. It had merely received more money for what it did produce.

The Republic announced the signing of a loan agreement with the Export-Import Bank covering credits aggregating \$52,245,500. (These funds came from the \$100 million credit line given Indonesia in 1950).

Strikes Banned in Essential Industries

In mid-February the Government met Indonesia's serious labor relations problem head-on with a sweeping edict prohibiting strikes and lock-outs in the nation's vital industries. The move was undertaken reluctantly. It was clear, however, that something had to be done to halt the spread of damaging strikes that were slowing down Reconstruction.

By early March most of the strikers were back on their jobs. One by one the big unions complied with the Government order. There were signs that production was returning to normal.

The Natsir Cabinet Resigns

On March 20 Prime Minister Natsir formally turned in the mandate of his Cabinet to President Soekarno. His action followed a morning session of Parliament attended by only 99 Government supporters out of a total of 230 members. Most of the absent lawmakers had symbolized their opposition to the Government by boycotting the scheduled debate of the controversial "Hadikusumo Motion" which had been passed over Government protests two months before.

This piece of legislation dissolved or "frcze" the activities of the district councils formed under provisions of Government Law 39. The law had authorized political parties and groups to elect representatives to the assemblies, rather than having them elected by a direct vote of the people. A majority of Parliament felt this was undemocratic procedure. The Government argued that Law 39 was a stop-gap...to remain in force only until general elections were held. It was a matter of necessity that the councils be allowed to function under Law 39, the Government said. Parliament thought otherwise.

There were roughly half a dozen reasons for the Cabinet's fall. (1) The failure of the Irian Conference. (2) The Government's go-slow policy in regard to altering relations with Holland. (3) High cost of living in Indonesia. (4) The politically risky ban on strikes and lock-outs.

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Perhaps the most compelling reason of all was that the P.N.I. (Nationalist) Party was not represented in the Cabinet.

The Sukiman Cabinet

On April 26, thirty-seven days after the Natsir Government was forced out of office, President Soekarno announced the formation of an 8-party coalition cabinet. Indonesia's new government was headed by Dr. Sukiman Wirjcsandjojo, chairman of the Masjumi Party and one of the two cabinet formateurs. (The other was Nationalist Party chairman Mr. Sidik Djojojosukarto). The Sukiman cabinet was made up of twenty ministers. It was considered moderate like that of his predecessor, but better balanced. The Nationalists (P.N.I.) who were not represented in the Natsir Cabinet held five portfolios under Dr. Sukiman. Masjumi retained five ministries. Three went to the P.I.R. or Greater Indonesia Association, and one each to the Parindra, Buruh (Labor), the Christian Party, Catholic Party and the Democratic Faction. There were two non-Party members.

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Among The Measures Taken by the New Government were:

- (1) A decision to nationalize the circulation activities of the Java Bank.
- (2) Assurance to Americans and European businessmen that the Government welcomes foreign capital in the reconstruction program.
- (3) To speed up preparations for national elections.
- (4) A vigorous and thoroughgoing drive to round up criminal and subversive elements, climaxed on the eve of August 17 by extensive operations against subversive groups in Medan, Sumatra and the Djakarta area.
- (5) Settlement of a summer strike wave brought on mainly by workers' demands for Lebaran (religious holiday) bonuses.
- (6) An appeal to India and Pakistan on the Kashmir Question.
- (7) Hiring of European and American Specialists for work in Indonesia.
- (8) Development of commercial and military aviation in Indonesia.

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- (9) Continuing...with assistance from the WHO, UNICEF, and FAO organizations... The remarkably successful drives against yaws, malaria, T.B. and plague. Establishment of a penicillin factory in Indonesia, expanding of child health facilities.
- (10) Continuing on all levels the nation-wide campaign to educate the Indonesian people in the shortest possible time. This included setting up of new colleges and vocational schools, as well as those of elementary and high school level. It included education by lecture, book, film, and radio of mechanics, pilots, army and navy officers, police, radio operators, economists, doctors, nurses, physical training experts, lawyers, accountants...and training of teachers themselves.

V. THE PAST YEAR

August 17, 1951...the Sixth Anniversary of Indonesian Independence ...was celebrated in spectacular fashion throughout the country. Sirens, church bells and mosque drums sounded as the Indonesian flag was raised in Djakarta -- the same flag that was hoisted in the capital on August 17, 1945 when the Pepublic was proclaimed. As the flag went up, Indonesian army planes took off from their bases to drop messages to the outlying islands of the Republic. Radio Indonesia broadcast a 90-minute address by President Soekarno followed by a 17-gun salute.

The Security Drive - August, 1951

The holiday celebrations were surrounded by another demonstration of strength -- this one by Government security forces. Late in July there had been a reckless attack on the police station at Tandjung Priok, Djakarta's port city, by an armed gang of one hundred fifty men. There were local disturbances in East Java and East Sumatra. A hand-grenade exploded in a crowd at Bogor, West Java injured 80 persons. On August 9 the Surabaja paper Suara Rakjat quoted Vice-Premier Suwirjo's "positive statement" that there were movements in East Java directed by foreign powers. On August 11 Radio Republik Indonesia commented: "Dear Listeners, it has become clear that there is a certain outside force which is purposely trying to wreck our domestic conditions and to encourage us to fight among ourselves..."

A few hours later Government forces began a surprise sweep through the East Sumatra area. The dragnet was thorough, efficient, and swiftly executed. It was reported that 511 persons were arrested in Medan. The drive continued in other cities. In the capital, 16 members of Parliament, all of left-wing affiliation, were rounded up. In East Sumatra President Soekarno said that Indonesia did not want a dictatorship of the proletariat or any other group.

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By no means all the persons who were detained by the police remained in custody. In fact, most were released after questioning. It was evident by the end of August that the subversive activity, both actual and potential, had been brought under control by the Government's prompt measures.

Indonesia and the Japanese Peace Treaty

On September 8 Indonesia joined 48 nations in San Francisco in signing the Japanese Peace Treaty. It would perhaps be more accurate to say that Foreign Minister Achmad Subardjo signed the pact for Indonesia. The treaty was not ratified by Parliament, and there was considerable doubt that it would be.* Opposition to Indonesia's attending the Conference had been fairly strong in Parliament and in the press. It was noted that India and Burma had not gone to San Francisco. Would signing the treaty, opposed by the Soviet bloc, be a violation of the Republic's independent policy? Many, including former Foreign Minister Dr. Mohamad Roem thought that Indonesia and Japan should conclude a separate bi-lateral treaty.

Governor Dewey's Impressions of Indonesia

Indonesia's future should be "very sound and solid", Governor Thomas E. Dewey said in a press interview at Djakarta August 5 before boarding a plane for Australia, the next leg in the former Republican president ial candidate's fact-finding tour of Asia.

"Indonesia has immense resources, great land areas, and a patient and fine people," Governor Dewey continued. Asked whether the Indonesian people would have to work very hard to fulfill their future, he replied, "One never gets anywhere without hard work." He said he found Indonesia's problems today "very much the same as those in my own country 175 years ago when America became independent."

The Governor was asked what he thought of the communist problem as applied to Indonesia. "The Indonesians have achieved miracles in one and a half years against a variety of rebellions and different threats," he said.

He declared that he was "tremendously impressed with Mr. Soekarno," and called him "a man of great vision and patriotism." On grounds of courtesy Governor Dewey declined comment on the nature of his discussion with the President, except to say that they had talked of "Indonesian and world affairs."

^{*} As of August 17, 1952, Parliament has still taken no action on this matter.

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Indonesia's First Post-War Elections

On June 14 the area of Minahassa in northern Sulawesi became the first proving ground for Indonesia's new electoral, democracy. In the first free "direct" elections since the transfer of sovereignty, nearly 74% of the district's eligible voters went to the polls. This was an extremely high turn-out, and compared favorably with those in western countries long-practiced in the techniques of democracy. Even more heartening with the results of the elections that took place August 27 and 28 in the Jogjakarta area. In contrast to Minahassa, where 95% of the population was literate, less than one-quarter of the Jogjakarta electorate could read and write. Yet about 70% of the eligible voters turned out in Jogjakarta. Further, they proved that a peaceful, orderly, intelligent election was possible, even where there was a sizable illiteracy factor. Citizens who could not yet read the ballot voted for pictures and geometric symbols representing their favorite candidates.

Strike & Lock-Out Ban Abolished

Labor Minister Tedjasukmana announced September 17 that the Government was abolishing the edict against strikes and lock-outs instituted by the previous Cabinet. In its place a new emergency law gave wide powers to the Government Dispute Settlement Commission to handle labor conflicts. Any dispute came up against a defense-in-depth of arbitration committees. The local, regional and committee had a chance to settle the arguments before the dispute reached the strike stage.

Irian: The Controversy Flares Up Again

News came from The Hague in November 1951 that the Netherlands Government planned to include West New Guinea (West Irian) in the revised Dutch Constitution. This caused a sharp reaction in Djakarta. Professor Supomo, who was to head the Republic's delegation to a new Conference at The Hague, pointed out that the Irian dispute ought to be solved before the name of the territory was placed in the Constitution. Such a commitment would make future negotiating more difficult. The Djakarta Dutch-language daily Nieuwsgier called the action "a blunder of the first magnitude." The paper wondered: "Who in heavens name determines policy toward Indonesia in The Hague?" The Netherlands Government replied that the move did not imply a constitutional change with regard to New Guinea, adding, "The possibility of solving the existing differences over New Guinea is in no way influenced by the proposal..." This answer was unsatisfactory to Indonesians, virtually all of whom believed that West Irian was part of the Republic illegally occupied by the former colonial authority. West Irian was not, in the Indonesian view, Dutch soil to be held or relinquished according to the outcome

of some negotiation. It was legally Indonesian territory, and factually territory in dispute. It was not to be incorporated in a Constitution while the dispute was going on.

President Soekarno on 'Heroes' Day'

President Soekarno delivered a major address on the occasion of Heroes' Day November 10. In:a hard-hitting message to his people, he declared that Indonesian labor was not producing enough. The nation's farmers were doing very well, he said, but as a whole Indonesia "still does not have a real independence."

He told his audience: "Indonesia can become rich easily -- it can become a country that does not need any assistance from abroad. Its soil is rich; its climate ideal. What Indonesia needs is the will of its people to work, the people's unceasing diligence..."

Among many other things, he said: "Please do not turn the Government into a thing of requests and demands, as if the Government could distribute everything. The Government is an administration, a leader, a guide, a coordinator. The Government is not Santa Claus; the Government is not a juggler who, in one-two-three, can make something from nothing...What the Government can give to Indonesia and its people must come from the Indonesian people themselves..."

Trade Talks With Japan Broken Off

Trade talks between Indonesia and Japan were broken off in late November. What blocked a new trade pact between the two countries was the matter of settling the payment balance, unfavorable to Indonesia, resulting from the current agreement. Japan wanted payments to be in dollars. Indonesia wanted them settled in sterling. Indonesia took the position that Japan was not essentially a dollar area. "Those who seek their markets for the most part in the Pacific area must be content with the currency in which these countries want to and can pay, " said Dr. Asmaun, head of the Indonesian delegation.

The Schacht Report

In a 15,000-word report on the state of Indonesia's economy released in early December, German Financial expert Dr. Hjalmar Schacht decided:

"I conclude this report with the firm conviction that this country is looking forward to a prosperous and happy future, as the population returns

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to diligence, discipline and order. That this return is not yet completed is shown by the problems with which the country sees itself confronted. This is not a financial or economic problem, but a political one. There is no question of a financial or economic crisis at present, and the political problems too will be overcome if the Government applies determination and authority."

Dr. Schacht urged the Republic to encourage foreign capital investment in the country. He thought the foreign exchange certificate system should be abolished. He advocated higher import duties, and expressed the belief that the Government take over natural resources, mines, electric power, as well as transport facilities. The report called for more highways, particularly in Sumatra, to improve the country's land communications.

In a March 5 statement on the Schacht Report, the Indonesian Information Office in New York said: "... Those sections dealing with political, legal and international factors are not necessarily considered consistent with the position of the Republic, its constitution, or the feeling of the Indonesian people themselves."

Arms Seizures From Irian-bound Dutch Ships

The beginning of the new year found Indonesian-Dutch relation in an uncertain state. The scheduled conference at The Hague to discuss the Irian and Union question was delayed in December by two incidents involving Dutch ships in Indonesian waters. On December II Indonesian authorities in Tandjung Priok harbor seized a cargo of arms and ammunition from the Dutch motorship "Blitar." The arms were destined for Dutch Navy units in the disputed territory of West Irian. Eleven days later a second shipment of Irian-bound was taken from another Dutch vessel, the "Talisse". The incidents grew naturally from the Irian dispute, and the different assumptions of sovereignty in the area. From the Indonesian standpoint, the Dutch had no right to import arms into West Irian (part of the Republic). The Dutch considered the arms in transit to West New Guinea (part of the Netherlands Kingdom). Masjumi Party leader and former Prime Minister Mohamad Natsir pointed out that the incidents were not important in themselves. They were a manifestation of the deeper over-all problem of West Irian.

Indonesia: & Japan Initial Interim Reparations Pact

After a month of negotiation, Indonesia and Japan initialled an interim agreement January 17 at Tokyo covering reparations to be paid by Japan for damages caused to Indonesia during World War II. Reparations were to be in the form of production services, salvage, etc. rather than cash.

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Categories of services to be offered were (a) the processing of Indonesian raw materials (b) ship salvage (c) technical assistance (d) technical training of Indonesian workers.

Revaluation of the Rupiah

Effective February 4, Indonesia discontinued its Foreign Exchange Certificate System, set new values on foreign currency in Indonesia, and introduced a new system of taxes & duties designed to help "weak" exports by requiring "strong" products to carry a heavier tax load. New foreign exchange rates were fixed by the Java Bank. The rupiah became 11.40 to the United States dollar; 31.72 to the pound sterling; 3.00 - to the guilder, and 3.715 to the Straits dollar.

Under the new regulations, "strong" products like rubber and copra were to be charged an extra export duty -- 25% of their price. "Medium strong" exports like oil, tin, palm oil, palm kernels, coffee and pepper would be taxed an added 15% of their price. All other export goods would be exempted from additional export levies. The Government also imposed restrictions on non-essential imports.

The Sukiman Cabinet Resigns

The coalition Cabinet of Prime Minister Sukiman returned its mandate to President Soekarno February 23 following the resignation of Foreign Minister Subardjo, who had been severely criticized for accepting American aid under the Mutual Security Agency without consulting his colleagues in the Cabinet. The Sukiman Cabinet held office nearly ten months.

Immediate cause of the Cabinet's resignation was a feeling not only on the part of the opposition but of the Government parties, including Masjumi and the P.N.I., that Dr. Subardjo had in effect violated the spirit of Indonesia's independent foreign policy by signing an agreement for MSA aid, with the standard commitment that the Republic would "contribute to the defensive strength of the free world."

Mr. Wilopo Heads the New Cabinet

At new coalition Cabinet was formed April I, with Mr. Wilopo, the formateur, Prime Minister of the new Government. It was Indonesia's thirteenth Cabinet, and the fourth since the transfer of sovereignty. Like its predecessor, the Wilopo Cabinet was a coalition led by the Masjumi and Nationalist parties. But this time the P.N.I. held the portfolios of Prime Minister, Foreign Minister, and Economic Affairs while Masjumi had the Vice Prime Minister and the Ministries of Home Affairs, Agriculture and Religious Affairs.

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The program of the new Government called for (1) General elections within one year. (2) Implementation of the welfare program by increasing production and thus boosting the nation's standard of living. Revision of agrarian laws. (3) Strengthening the security apparatus. (4) new labor legislation "to better the lot of labor." Modernization of the educational system. (6) Maintenance of "an active and independent foreign policy designed to secure world peace in line with obligations of the country as a member of the United Nations." (7) Conversion of present Indonesian-Dutch relations based on the Union Statute to normal international relations. Continue the struggle to have West Irian returned to Indonesia in the shortest possible time.

"Purely Private" Group at Moscow Conference

A small group of Indonesian businessmen, economists, and trade union representatives attended the international economic conference held in Moscow at the beginning of April. One of the members of the informal delegation was Suchjar Tedjasukmana, Secretary-General of the Indonesian Economic Council. He said the group was maintaining a "strictly neutral" position in Moscow. He said he hoped to have discussions with Polish and Czech representatives, with a view to improving trade relations between Indonesia and the countries of the Soviet bloc.

After the Conference, the members of the Indonesian group agreed that the meeting had been worthwhile. They had made extensive contacts with their opposite numbers in eastern Europe. This did not mean that the Indonesian delegation came away sold on everything they had seen and heard in Moscow. Mr. Tedjasukmana said he had found the living and working conditions of Moscow workers to be inferior to that of the workers in Holland. But they were better off than Indonesian workers, he added. Mr. Tedjasukmana broadcast over Radio Moscow (as a private citizen). The broadcast in the Indonesian language was beamed to his home country. He had "quite frankly been able to state" that the Soviet regime had done a lot for the material welfare of the Soviet citizen. Indonesia could take it as an example. But, he stated in his broadcast, he did not feel the Soviet regime would be good for Indonesia. If we were asked, -"Could Indonesia go Communist?" he would answer emphatically and wholeheartedly, "No." He explained that the lack of spiritual freedom would not be a good thing for Indonesia. He said the Indonesians have a spiritual freedom which they would not like to lose.

The Attack On Lieutenant-Colonel Harjono

At eleven o'clock on the night of May 21 Lieutenant-Colonel H.T. Harjono, Indonesia's military attache at The Hague, was attacked and nearly killed in his home by two assailants. The Indonesian officer fought off his attackers, who turned out...after swift investigation by Dutch police...to be former associates of Captain "Turk" Westerling, wanted in Indonesia for his part in

the Bandung revolt and various major war crimes. Perhaps coincidentally Westerling himself had recently been apprehended in Holland. The Indonesian Government had begun proceedings to have him extradited. The attackers of Colonel Harjono admitted under questioning that they had come to Colonel Harjono's house in search of "papers". Since the Justice Ministry representative carrying the documents relating to Westerling's extradition, Secretary-General Besar, was the officer's father-in-law and had been staying with him, motives for the assault were not particularly mysterious. Nevertheless, as proceedings dragged out, it did not seem likely that Westerling would be extradited to Indonesia very soon.

In the meantime Indonesian-Dutch talks on the Union and West Irian... interrupted by Indonesia's change of cabinets...were to be resumed after the Dutch elections in June.

Recent Events

In recent weeks these have been the major events in Indonesia:

1. Premier Wilopo told news correspondent Arnold Brackman of the

Christian Science Monitor, with reference to MSA aid: "We have no intention
of upsetting the good relations which have always existed between the United
States and Indonesia...Relations between America and Indonesia remain
friendly and undisturbed. As far as I am concerned, this is how they will
continue to remain."

2. On June 3 the Djakarta Stock Exchange opened.

3. The Cabinet won a strong vote of confidence in Parliament June 19. Of 158 members attending the session, 125 backed the Government. Only five were in opposition, and 28 abstained.

4. Indonesia and Japan resumed trade talks in Djakarta.

5. Indonesia declined to accept a suggestion that it send observers to inspect the Koje Island prison camps in Korea.

6. In late June a stepped-up security drive was begun against bandits and Darul Islam terrorists (extremists who demanded that the Republic become "a pure Moslem state") in the mountains near Bandung, West Java.

7. From July 16-27 Philippine President Quirino visited Indonesia, returning the visit of President Soekarno to his country in January, 1951.

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